

(This document comprises news clips from various media in which Balmer Lawrie is mentioned, news related to GOI and PSEs, and news from the verticals that we do business in. This will be e-mailed on every Monday.)

Govt institutions may get nod to buy stake in CPSEs; experts wary

With the fate of the disinvestment programme still hanging in the balance, the department of disinvestment (DoD) has reportedly finalised plans to allow government institutions, including banks and firms such as LIC, to buy the government's stake in Central Public Sector Enterprises (CPSEs) with the help of bulk sales.

However, the jury is still out on the efficacy of this approach. "Allowing government institutions to buy stake in CPSEs might make sense if there is a strategic intent on the part of the institutions buying the stake. But at the end of the day, this seems to be just a fund-raising exercise minus any strategic intent," said Amit Tandon, managing director of Institutional Investors Advisory Services (IIAS).

Tandon also pointed out that there are regulatory guidelines that restrict banks' equity exposure and the public sector banks may not be able to buy a meaningful stake in the CPSEs.

The Financial Express - 03.01.2012

<http://www.financialexpress.com/news/govt-institutions-may-get-nod-to-buy-stake-in-cpse;-experts-wary/894953/>

Ensure minority quota, PSUs told

The government on Tuesday directed the public sector units (PSUs) to ensure that its decision to carve out 4.5% sub-quota for minorities out of 27% for Other Backward Classes (OBCs) is implemented in all recruitments from January 1, this year.

The department of public enterprises (DPE) has written to the administrative ministries of different Central Public Sector Enterprises (CPSEs) asking them to seek compliance from the CEOs of the PSUs on minorities' sub-quota from the quota for OBCs. "All administrative ministries/departments concerned with the CPSEs are requested to bring this position to the notice of chief executives of CPSEs under their administrative ministries' control and ensure compliance of these

Cabinet to consider Finmin proposal on PSU stake sale

The Union cabinet will take up the finance ministry's proposal for consideration which seeks to enable the government to go ahead with various options to sell its stake in state-run companies.

The finance ministry had earlier moved a cabinet proposal which will enable the listed central public service enterprises (CPSEs) having surplus cash to buy back their shares. It may also look at various other options which include crossholding and auction method. "A group of ministers will be constituted for the proposed auction method and this GoM will decide the pricing of the issue," said a government official, in the know of the cabinet proposal. Department of disinvestment had earlier sought views of various administrative ministries and had not received an overwhelming response. Power ministry had argued that all the companies in power sector are short of funds to expand, and given the steep power sector targets for the next few years will not be able to spare their surplus cash for share buyback.

The Economic Times - 04.01.2012

<http://economictimes.indiatimes.com/news/economy/policy/cabinet-to-consider-finmin-proposal-on-psu-stake-sale/articleshow/11359036.cms>

Promoters can now auction their stakes; PSUs to benefit

In a move to fast-track the sale of promoters' equity in listed companies to meet minimum public shareholding norms, SEBI on Tuesday opened a new window for share sales and relaxed buyback rules.

The decision taken by the market regulator ahead of the Cabinet meeting today will pave the way for the top 100 companies, including blue-chip PSUs like ONGC, IOC, SAIL, BHEL and NTPC, to offload their equity expeditiously. The government is running against time to meet its ambitious disinvestment target of Rs 40,000 crore for the current fiscal.

The decisions taken at SEBI's board meeting

instructions in recruitment/appointments in the CPSEs," the department of public enterprises said. The department of personnel and training has already notified the decision taken by the Cabinet on December 22. Muslims, Sikhs, Christians, Buddhists and Zoroastrians (Parsis) have been notified as minority communities under the National Commission for Minorities Act, 1992.

The decision is based on the recommendations of the National Commission for Religious and Linguistic Minorities. There are 249 CPSEs employing about 15 lakh people.

The Times of India - 04.01.2012

<http://timesofindia.indiatimes.com/india/Ensure-minority-quota-PSUs-told/articleshow/11358559.cms>

Coordinating Committee of Secretaries to help PSUs on global raw-material hunt

Government has formed a high-level panel of secretaries to assist the PSUs which want to launch global hunt for strategic wealth such as oil, minerals and even agri resources.

The Coordinating Committee of Secretaries (CCoS), headed by Cabinet Secretary Ajit Kumar Seth, is follow-up to the policy "for acquisition of assets abroad by PSUs to ensure adequate raw-material which is crucial for growth of the manufacturing sector and the economy as a whole", an official in the Department of Public Enterprises (DPE) said.

While the Cabinet had given financial autonomy up to Rs 3,000 crore to Navratnas and Rs 5,000 crore to Maharatna PSUs for acquiring assets abroad, the CCoS will chip in only if these firms are seeking funds from the government for their global plans. "The CCoS would add value to the PSU proposals like avoiding competition among Indian companies and facilitating quick decision-making." he said.

The Economic Times - 05.01.2012

<http://economictimes.indiatimes.com/news/economy/policy/coordinating-committee-of-secretaries-to-help-psus-on-global-raw-material-hunt/articleshow/11376374.cms>

PSUs off to a flying start in new year

But for rally to deepen and sustain, government needs to clear the air on disinvestment.

The BSE PSU index, the barometer of state-owned firms, is off to a flying start in the New Year. But like Team India down under, the tail-enders are doing better than the top guns. In the first four sessions of the New Year, the PSU index, that comprises 35 companies and 25 banks, gained 5.38 per cent, more than double the 2.6 per cent gain recorded by the benchmark Sensex.

here will provide an enabling framework for expeditious sale of PSU equities.

These include a new mechanism called an 'Institutional Placement Programme (IPP)' that would allow promoters to sell up to 10 percent of their capital through an auction. "The following additional methods, viz. Institutional Placement Programme (IPP) and Offer for Sale of Shares Through the Stock Exchange for the Purpose of Compliance with SCRR Requirements, are being introduced," SEBI said in a statement after the board meeting.

First Post - 04.01.2012

<http://www.firstpost.com/investing/promoters-can-now-auction-their-stakes-psus-to-benefit-171685.html>

Government asks PSUs to develop 'leadership pipeline'

The government has advised PSUs to groom leaders among executives below the board level so that the state-owned firms develop "a leadership pipeline" for future. In an advisory to different administrative ministries, the Department of Public Enterprises (DPE) has said that the PSUs "need to develop comprehensive leadership pipeline which would ensure continuous and timely supply of high performance individuals who will occupy critical leadership roles.

"The concept has been developed based on a paper on professionalisation of PSU management prepared by global HR consulting firm Hewitt Associates. The concept is considered critical as a proper succession planning has remained a challenge for most of the 249 central public sector units (PSUs). At present, about a dozen PSUs including NMDC and MMTC are operating without regular Chairman and Managing Directors.

NDTV Profit - 05.01.2012

<http://profit.ndtv.com/News/Article/government-asks-psus-to-develop-leadership-pipeline--295413>

Public sector banks averse to taking part in disinvestment

Public sector banks, including State Bank of India (SBI), have advised the government against stake sale in the Central Public Sector Enterprises in the current market conditions. Banks told the finance ministry that a share sale would not fetch the right valuation now, and the government should look at other options to raise revenues for meeting the fiscal deficit target. A day after the Cabinet postponed a decision on an extended disinvestment strategy to include various

However, this rally is driven largely by a few small stocks, with very low public shareholding. These stocks, each held by a few thousand investors, have rallied between 15 per cent and 45 per cent in the New Year. On the other hand, some of the widely held stocks among PSUs have behaved in a less exuberant manner.

According to the data provided by BS Research Bureau, five top gainers among the state-owned firms have a base of 176,000 investors between them. These stocks — MMTC, Hindustan Copper, STC India, Andrew Yule and Dredging Corp of India — have gained between 26 per cent and 45 per cent this week.

Business Standard - 06.01.2012

<http://business-standard.com/india/news/psus-off-toflying-start-in-new-year/460885/>

Tea Board recommends projects worth over Rs 1,000 cr

The Tea Board has recommended to Union Government projects worth over Rs 1,000 crore in response to the representations of its members from the South. "These relate to Rs 600 crore for factory upgradation subsidy, Rs 300 crore for small grower directorate and production worth several crores of rupees by factories awaiting licence. While some relate to 12th Five Year Plan beginning April, others will have immediate effect.

These schemes are for the industry in the country as a whole, not just confined to the South," Dr S. Ramu, member representing factories, told Business Line.

The Hindu Business Line - 02.01.2012

http://www.thehindubusinessline.com/industry-and-economy/article2771786.ece?homepage=true&ref=wl_home

Tea Research body releases high-yielding new clone

Tea planters have received as New Year gift, a high-yielding new clone TRF-4 from the Tea Research Foundation (TRF) of the United Planters' Association of Southern India (UPASI).

"This is our contribution to help tea industry fetch higher realisation through high-yield with lower maintenance cost. With most existing moribund seedlings being over 50 years old, yield was stagnating for some time now. The maintenance cost will be less as this clone is fairly tolerant to drought and resistant to pests and diseases," UPASI President, Mr D. Hegde, told Business Line.

The Hindu Business Line - 05.01.2012

<http://www.thehindubusinessline.com/industry->

options, including bulk deals and buybacks, the finance ministry held extensive consultations at various levels. Finance Minister Pranab Mukherjee held a meeting with his top officials (who included Disinvestment Secretary Mohammad Haleem Khan), while Department of Economic Affairs Secretary R Gopalan held consultations with chiefs of public sector banks. The ministry asked banks about the moves government should make to expedite disinvestment and minimise slippages on the fiscal deficit front. On their part, the banks sought time from the finance ministry over its proposal permitting them to go for bulk purchase of government stake in central public sector enterprises (CPSEs).

Business Standard - 06.01.2012

<http://www.business-standard.com/india/news/public-sector-banks-averse-to-taking-part-in-disinvestment/460943/>

Tea Board to put tea waste on e-auction

With e-auction of tea becoming hugely successful, Tea Board of India has decided to put tea waste on e-auction shortly. NSE.IT has been given the mandate to work out the trading module for tea waste. State Bank of India and IndusInd Bank have been identified as settlement banks for e-auction transactions in tea waste.

Tea Board is also mulling introduction of e-auction for teas that are sold at the estate level and are termed as private sales. Subsequently, packaged teas will also be offered on e-auction.

The Economic Times - 04.01.2012

<http://economictimes.indiatimes.com/markets/commodities/tea-board-to-put-tea-waste-on-e-auction/articleshow/11357744.cms>

Allcargo to expand Nhava Sheva port to double capacity

Allcargo Global Logistics is looking to expand its Nhava Sheva port to double capacity. The current capacity of the port stands at 1.50lk containers. In an interview to CNBC-TV18, SK Shetty, chairman and managing director, Allcargo Global Logistics said, "We are increasing capacity of the container freight station by almost 100%." The company would be funding this expansion through internal accruals. "We have also lined up external credit from the Indian banks for this expansion of Nhava Sheva," he added.

Money Control 05.01.2012

<http://www.moneycontrol.com/news/business/allcargo-to-expand-nhava-sheva-port-to->

[and-economy/agri-biz/article2777988.ece?ref=wl_industry-and-economy](http://www.financialexpress.com/news/plan-panel-asks-psus-to-set-up-education-hubs-under-csr/896035/)

Visakha Container Terminal crosses 200000 TEUs in 2011

128 times viewed. Sunday, 08 Jan 2012 Visakha Container Terminal has achieved a landmark throughput of 212,824 TEUs in the calendar year 2011, registering an excellent 68% growth over the previous year.

The year 2011 was indeed a remarkable one for 'Gateway Vizag' with new commodities and avenues boosting traffic growth. Besides organic growth in its burgeoning hinterland, ICD traffic from Nagpur and Delhi has been finding its way to and through VCT, while transshipments from Kolkata, Haldia and Paradip were all in the process of getting successfully established at the terminal.

With such expeditious growth also came a few infrastructure-related challenges in the supply chain. Some of these have already been overcome with the commissioning of four new RTGCs and two additional reach stackers. Besides, an additional container yard has been developed, thereby increasing the storage area.

The four existing CFSs just about manage to cope with the present traffic. Hence, additional CFSs are planned to come up in 2012. These include facilities being set up by prominent PSUs like Balmer Lawrie and CONCOR, as also by a few private players.

Steel Guru - 08.01.2012

[http://www.steelguru.com/indian_news/Visakha Container Terminal crosses 200000 TEUs in 2011/244557.html](http://www.steelguru.com/indian_news/Visakha_Container_Terminal_crosses_200000_TEUs_in_2011/244557.html)

Record 10L tourists visited Kashmir Valley in 2011

The year 2011 gave Jammu and Kashmir more than a million reasons to reclaim pride of place on India's tourism map. The number of sightseers to the once trouble-torn state crossed a record 10 lakh and came as a shot in the arm for official assertions that terrorism was on the wane. The figure - the highest in the last two decades - comprised purely tourists and did not include either the 1 crore-plus pilgrims who visited Mata Vaishno Devi's shrine or the 6.75 lakh devotees who undertook the Amarnath Yatra in 2011. Significantly, foreign tourist arrivals, which dropped from 54,475 in 2009 to 48,099 in 2010, also picked up in Jammu and Kashmir during 2011.

India Today - 02.01.2012

<http://indiatoday.intoday.in/story/record-10-lakh-tourists-visited-kashmir-valley-in-2011/1/166852.html>

[double-capacity_645508.html](http://www.financialexpress.com/news/plan-panel-asks-psus-to-set-up-education-hubs-under-csr/896035/)

Plan panel asks PSUs to set up education hubs under CSR

In a move to boost higher education in the country, the Planning Commission has mooted the idea of public sector units (PSUs) setting up higher education hubs as part of their corporate social responsibility (CSR). The move will help the government in achieving its target of increasing the gross enrollment ratio (GER) to 20% by 2017 and 25% by 2022.

"We are exploring the idea and PSUs are keen to support such activities of the government. They are on board as they recognise that investing in higher education is not only CSR but also for their future," said a Planning Commission official. PSUs spend almost R1,400 crore as part of their CSR.

As per the commission, health and education received less than projected in the eleventh plan and hence, allocations for these sectors will have to be increased in the 12th plan.

Financial Express - 06.01.2012

<http://www.financialexpress.com/news/plan-panel-asks-psus-to-set-up-education-hubs-under-csr/896035/>

OTOAI, association for outbound tour operators launched in New Delhi

The rapidly-growing outbound tourism segment in India has now got a dedicated travel trade association. Outbound Tour Operators Association of India (OTOAI), a non-profit organisation, was launched on December 28, 2011 in New Delhi. The first pan-India association for outbound tour operators, OTOAI is offering membership in three categories:

Travel Biz Monitor - 03.01.2012

<http://www.travelbizmonitor.com/otoai-association-for-outbound-tour-operators-launched-in-new-delhi-15304>